

Item	Regulation	Start-Up Costs	Entity	Life	Liability	Transfer of Interest	Management	Taxation
Sole Proprietorship	Least Regulated	Least expensive	Not separate from proprietor	Life of person	Unlimited liability	Assets must be transferred	Easiest-One owner controls	No double taxation
Copartnership	Limited Regulation	Relatively inexpensive	Not separate from partners	Agreed Term: Life of any partner	Partners personally liable for debts and obligation or partnership	New agreement generally required	Unanimity of partners	Each partner taxed on his share of income
Limited Liability Partnership	Limited Regulation	Relatively inexpensive	Not separate from partners	Agreed Term: Life of any partner  Annual renewal of LLP status	Partners personally liable for debts and obligation of partnership – except for negligent act by partner not under the partner's direct supervision or control	New agreement generally required	Unanimity of partners	Each partner taxed on his share of income
Limited Partnership	Limited Regulation	Relatively inexpensive	Separate from partners	Agreed Term: Life of any general partner	General partners liable for all obligations; Limited partners liable to extent of contribution	In accordance with limited partnership agreement	Unanimity of partners usually required	Each partner taxed on his share of income
Limited Liability Company	Limited Regulation	Relatively inexpensive	Separate from members	Perpetual	Liability limited to the assets of the company	In accordance with operating agreement	Members may participate or select managers	May choose to be taxed as a partnership or sole proprietorship
Corporation	Most Regulated	Most expensive to form	Separate legal entity	Perpetual	No individual liability	Most transferable	Authorization of a specified percent of directors required	Double taxation